

# Comments on the Community Reinvestment Act Proposed Rulemaking

Veo

August 5, 2022

## **Veo**

Veo is on a mission to end car dependency by making clean transportation accessible to all. We have provided millions of shared bike and scooter rides in 40+ cities and universities across North America and counting.

Veo operates from a set of values that distinguish us in the industry. We are grounded in financial responsibility: Veo partnered with select cities to achieve profitability before scaling. Our in-house design and manufacturing process enables us to constantly innovate and provide cities with the next generation of shared electric bikes and scooters. We develop collaborative, long-term partnerships with cities and universities so we can work together toward a sustainable, safe, and equitable transportation future.

**Question 1. Should the agencies consider partial consideration for any other community development activities (for example, financing broadband infrastructure, health care facilities, or other essential infrastructure and community facilities), or should partial consideration be limited to only affordable housing?**

**Transit-oriented infrastructure is community development.** Veo believes that serving low-income communities won't always be done entirely within a specific tract. In fact, transportation infrastructure projects that serve the needs of low-income residents often span multiple neighborhoods in order to connect people and places. Developing last-mile transit solutions, increasing carbon-neutral micromobility infrastructure, and connecting transit deserts to existing transit hubs are community development activities that directly support low-income communities, and should be treated as such under the Community Reinvestment Act and given partial consideration.

### **Transit as Housing.**

Transit and housing go hand and hand. The transportation options available directly impact the livability of each community, the affordability of the housing, and the safety of the streets. The federal government has already acknowledged the importance of transit as housing, and its necessity for low-income residents who rely on it to get to work, get to school, and receive healthcare. The Federal Transit Administration has asked transit agencies to coordinate with local housing agencies for proposed projects to identify needs in the targeted areas, including the availability of affordable housing nearby.<sup>1</sup> But the interconnectivity of transit and housing is not limited to the types of large-scale projects funded through the FTA; this relationship still holds with smaller transit projects that could benefit from the more accessible funding available to community development activities recognized under the CRA. Low- and moderate-income neighborhoods need access to bike, pedestrian and multimodal pathways, pedestrian and bicycle safety infrastructure, and local micromobility support such as designated micromobility parking corrals and mobility hubs, education and outreach programs that inform communities about their transportation options, and subsidized low income programs.

By their nature, many transit infrastructure projects may not be entirely within a low-income tract, but they directly benefit low-income communities by connecting them to mass transit and job centers. The Federal Reserve Board, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation should encourage investment in these transit infrastructure projects by allowing their financing and investment to count pro rata as a community development activity under the CRA, as these are essential community development activities. Additionally, transportation directly impacts housing, and housing is already pro rata eligible under this NPR.

### **Low income communities have different needs.**

Housing and transportation are often the two biggest household costs, especially for low- and moderate-income households. And often, they are inversely correlated, as the more affordable housing is often farther out of the city center, driving up transportation costs. The cost of vehicle

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<sup>1</sup> <https://www.govinfo.gov/content/pkg/FR-2013-01-09/pdf/2012-31540.pdf>

ownership has risen across the board to \$9,282 annually.<sup>2</sup> This flat fee functions as a regressive tax on poor and working-class households. Because vehicle ownership is so costly, with increases in auto-related expenses outpacing housing costs in some markets, low-income households are less likely to drive; they pay this additional cost in time. The pandemic has already caused drastic cuts in mass transit service,<sup>3</sup> which primarily affects low-income and minority communities who can't work from home.<sup>4</sup> Smaller scale transit infrastructure improvements that support active transportation and first/ last mile transit connections can directly save time and money for communities in low-income tracts that are often farther from city centers, and can be done in a much shorter time frame. These solutions reduce traffic congestion and CO2 emissions in communities that are disproportionately affected by transportation pollution.

### **More transit everywhere.**

Transit is not only failing to serve low-income tracts outside of city centers—it's also failing to meet the needs of low income communities in city centers. "Accessibility insufficiency is not merely an issue of far-flung exurbs and the metropolitan fringes, but just as much a problem affecting the large transit reliant population in the urban cores and inner suburban rings."<sup>5</sup> This dearth of transit options in communities across America requires increased investment at every level. As we focus on large-scale infrastructure projects like new subway and railway lines, we must also prioritize smaller, more immediate solutions like expanded busways, increased micromobility infrastructure, and other last-mile transit modes. The best way to encourage investments in CRA-eligible tracts when demand for transportation solutions is so high is to create new pathways to funding these projects by allowing pro rata CRA community development credit.

### **We All Ride**

Veo was founded under the principle that *we all ride*. We want this to be true in all neighborhoods across incomes. We operate in cities with a concentration of CRA-eligible tracts, including Newark, NJ, Oakland, CA, Birmingham, AL, and the Bronx, NY. **We have seen first hand the need for transit infrastructure to connect communities, and know that increased funding opportunities via prorated CRA eligibility can uplift entire neighborhoods.**

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<sup>2</sup> <https://www.aaa.com/autorepair/articles/average-annual-cost-of-new-vehicle-ownership>

<sup>3</sup> <https://www.nbcnews.com/news/us-news/covid-plagues-mass-transit-leading-staff-shortages-service-disruptions-rcna11368>

<sup>4</sup> <https://www.bloomberg.com/news/articles/2020-03-20/poor-and-minority-workers-are-least-likely-to-be-able-to-work-from-home?sref=u5ej0RZn>

<sup>5</sup> Matan E. Singer, Aviv L. Cohen-Zada, Karel Martens, Core versus periphery: Examining the spatial patterns of insufficient accessibility in U.S. metropolitan areas, *Journal of Transport Geography*, Volume 100, 2022, 103321, ISSN 0966-6923, <https://doi.org/10.1016/j.jtrangeo.2022.103321>.

(<https://www.sciencedirect.com/science/article/pii/S0966692322000448>)